



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

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## NOTICE TO CONTRACTORS DOING BUSINESS WITH FAA REGARDING IMPACT OF GOVERNMENT-WIDE SEQUESTRATION

As you are likely aware, due to the failure of Congress to reach a deal on deficit reduction to avoid sequestration, the President was required by law to issue a sequestration order canceling approximately \$85 billion in budgetary resources across the Federal government for the remainder of the Federal fiscal year. As we consider you a partner with the Department of Transportation, specifically the Federal Aviation Administration, we want you to be aware of how these unfortunate budget cuts could impact our contracts.

At this time, the FAA is taking steps to mitigate the effects of these cuts, but impacts to many of our current contracts are unavoidable. As we carefully review our contracts, examples of steps we may need to consider include not exercising contract options, stopping or suspending work, reducing the scope of work, negotiating lower prices or other terms via bilateral modifications, or partially or completely terminating contracts for convenience in order to meet the constraints imposed by sequestration. Additionally, planned contract actions for new work may be rescope, delayed, or canceled depending on the nature of the work and the degree to which it directly supports the agency's mission goals.

The FAA supports providing opportunities and promoting economic growth for all businesses, while especially encouraging and assisting small businesses, socially and economically disadvantaged businesses, women-owned businesses, and service-disabled veteran-owned small businesses. To that end, the FAA is committed to the inclusion of small businesses in its acquisition process and will seek to preserve procurement opportunities for small businesses to the maximum extent practicable.

To the extent that your contract is affected due to these budget cuts, you will be contacted by the appropriate Contracting Officer with additional details. The Contracting Officer is the only official with the authority to make these changes.

We regret the difficult choices we must make, and the impact they could have on your company's workforce, revenue, and planning processes. Thank you for your continued partnership with the FAA and for your cooperation as we work together to manage these unfortunate circumstances.

Sincerely,

Patricia A. McNall  
Deputy Assistant Administrator for  
Acquisition and Business Services, and  
FAA Acquisition Executive